

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05  
EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00  
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03  
LAB-04 SIL-01 L-03 H-01 PA-01 PRS-01 OIC-02  
AGR-05 IGA-02 /094 W

-----031831Z 112708 /43

R 031700Z MAY 77

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 4574

INFO AMEMBASSY BRASILIA

AMEMBASSY BRIDGETOWN

AMEMBASSY CARACAS

AMEMBASSY KINGSTON

AMEMBASSY PARAMARIBO

AMEMBASSY SPORT OF SPAIN

C O N F I D E N T I A L SECTION 1 OF 2 GEORGETOWN 0890

E.O. 11652: GDS

TAGS: EADI, PFOR, GY

SUBJECT: FONMIN COMMENTS ON CARIBBEAN DEVELOPMENT BANK MEETING

SUMMARY: GUYANA, AND REPORTEDLY JAMAICA, WAS SUBJECTED TO CRITICISM DURING THE CARIBBEAN DEVELOPMENT BANK'S (CDB) BOARD OF GOVERNORS MEETING APRIL 27 AND 28, IMPORT RESTRICTIONS AND LACK OF CONSULTATION WERE THE MAIN ISSUES OF CONTENTION, ACCORDING TO FONMIN WILLS, WHO REPRESENTED GUYANA AT THE CDB MEETING. WILLS EXPRESSED CONCERN OVER POLITICAL AND ECONOMIC VACUUM IN WHICH MINI-STATES ARE MOVING TOWARD INDEPENDENCE. HE SAID THAT CUBA IS SEEKING TO MOVE INTO THE AREA AS THE BRITISH FADE OUT. END SUMMARY.

1. FONMIN WILLS DESCRIBED MEETING OF THE CARIBBEAN DEVELOPMENT BANK (CDB) DURING A MEETING IN HIS OFFICE ON APRIL 29. THE CHIEF QUARRELS, HE SAID, WERE CAUSED BY THE RESTRICTIONS BY  
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GUYANA AND JAMAICA ON TRADE. THE OTHER CARICOM MEMBERS SAID THAT GUYANA'S FINANCE MINISTER HOPE HAD ASSURED THEM THAT RESTRICTIONS WOULD NOT BE IMPLEMENTED SHORTLY BEFORE GUYANA HAD RESTRICTED IMPORTS. WILLS CLAIMED HE HAD BEEN UNAWARE THAT SUCH ASSURANCES HAD BEEN GIVEN, BUT HAD ASSURED HIS CARICOM COLLEAGUES THAT GUYANA WOULD CONSULT MORE CLOSELY IN THE FUTURE.

2. THE CDB BOARD HAD APPROVED TWO LOANS FOR GUYANA. ONE WAS FOR THE AMOUNT OF G\$4 MILLION FOR THE GUYANA AGRICULTURE BANK TO LEND TO FARMERS. THE SECOND WAS IN THE AMOUNT OF G\$647,057 FOR A RECREATION AND TOURIST FACILITY IN THE AREA OF ANNA REGINA.

3. CONCERNING WHETHER TO APPROVE PUERTO RICAN MEMBERSHIP IN CDB, WILLS SAID THE ISSUE HAD BEEN POSTPONED UNTIL NEXT YEAR. THE MEMBERS WERE AFRAID OF THE QUESTION. HE SAID HIS ATTITUDE HAD BEEN THAT IF PUERTO RICAN MEMBERSHIP MEANT ADDITIONAL DOLLARS FOR THE BANK, HE WOULD VOTE YES. IF IT MERELY MEANT THAT THERE WOULD BE ANOTHER POOR COUNTRY BEGGING FOR ASSISTANCE FROM THE BANK WITHOUT AN INDICATION THAT THE US WOULD MAKE ADDITIONAL FUNDS AVAILABLE, THE ANSWER WOULD BE NO.

4. ACCORDING TO WILLS, THERE WERE DISAGREEMENTS AMONG THE MEMBERS CONCERNING THE DISTRIBUTION OF BENEFITS BETWEEN MORE DEVELOPED COUNTRIES (MDC'S) AND LESS DEVELOPED COUNTRIES (LDC'S). GUYANA'S POSITION HAD BEEN THAT GUYANA SHOULD BE TREATED AS AN LDC RATHER THAN AN MDC. BUT OTHER MEMBERS HAD NOT BOUGHT THAT ARGUMENT. THE CARIBBEAN MINI-STATES DID NOT SEEM TO CONSIDER THE CDB AS A BANK. THEY TENDED TO REGARD IT AS HAVING REPLACED THE BRITISH IN TERMS OF OVERALL ECONOMIC RESPONSIBILITY.

5. THAT THE MINI-STATES WOULD BE CAUSING PROBLEMS FOR THE REGION BECAME VERY CLEAR TO WILLS DURING THE CONFERENCE.  
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THEY WERE GETTING INDEPENDENCE ONE WAY OR ANOTHER BUT NO ONE WAS PREPARED TO TAKE OVER THE VACUUM LEFT BY THE BRITISH EXCEPT THE CUBANS. THE CUBANS WERE QUIETLY BUT BUSILY WORKING THEIR WAY INTO THIS POLITICAL VACUUM. HE THEN COMMENTED THAT DURING HIS VISIT TO CUBA IN LATE JANUARY, THE WIFE OF PREMIER JOHN OF DOMINICA HAD BEEN IN CUBA SEEKING TECHNICAL ASSISTANCE ON BEHALF OF HER HUSBAND'S GOVERNMENT. THE VENEZUELAN'S WERE MAKING SOME ATTEMPTS ALSO TO ASSERT THEIR INFLUENCE IN THE AREA.

6. WILLS SAID HE WOULD LIKE TO PROPOSE THAT A UNITED NATIONS TRUSTEESHIP BE ESTABLISHED TO TAKE CARE OF DEFENSE AND FOREIGN POLICY FOR THE MINI-STATES. IN THIS WAY THEY WOULD BE PREVENTED FROM BECOMING PAWNS OF LARGER POWERS, SUCH AS THE CUBANS OR THE VENEZUELAN'S.

7. WILLS CLAIMED THAT REPRESENTATIVES OF MINI-STATES HAD TOLD HIM THAT THE BRITISH WERE ENCOURAGING THEM TO FORM AN ASSOCIATION WITH TRINIDAD AND TOBAGO AND BARBADOS AND TO

AVOID JAMAICA AND GUYANA. HE DISAPPROVED OF SUCH TACTICS, ALLEGING THAT THEY TENDED TO CREATE SUSPICION AND DISUNTIY IN THE AREA.

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C O N F I D E N T I A L SECTION 2 OF 2 GEORGETOWN 0890

8. WILLS GAVE ME A COPY OF THE SPEECH HE HAD DELIVERED TO THE CDB BOARD OF GOVERNORS. IN IT HE DESCRIBED THE "KEY ISSUE" IN INTERNATIONAL RELATIONS AS BEING THE ECONOMIC DEVELOPMENT OF DEVELOPING COUNTRIES AND THAT LONG-RUN PEACE AND STABILITY WILL DEPEND UPON SUCCESS IN BRIDGING THE GAP BETWEEN RICH AND POOR. HE COMPLIMENTED THE US, UK, CANADA, NEW ZEALAND, WEST GERMANY AND JAPAN FOR THEIR CONTRIBUTIONS TO THE CDB. HE MENTIONED HIS HOPE THAT THE OPEC COUNTRIES WOULD ALSO REALIZE THAT THEIR SECURITY AND DEVELOPMENT ARE LINKED TO THE DEVELOPMENT OF LDC'S AND THAT THEY WOULD PUT FUNDS IN CDB COFFERS. HE NOTED THE "DISAPPOINTING FINANCIAL RELATIONSHIP" BETWEEN THE EEC AND THE CDB. HE ALSO HAD CAUSTIC WORDS FOR THOSE (THE SOVIET UNION) WHO DO NOT CONTRIBUTE AND "TAKE SHELTER UNDER THE CONVENIETN APHORISM ABOUT LACK OF HISTORICAL RESPONSIBILITY." WILLS ASSERTED THAT THE QUESTION IS NOT WHO IS RESPONSIBLE, BUT WHO WILL HELP.

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9. COMMENT: THE GRIPES OF GUYANA'S CARICOM PARTNERS ABOUT THE GOG'S FAILURE TO CONSULT PRIOR TO INTRODUCING IMPORT RESTRICTIONS APPEAR JUSTIFIED, ALTHOUGH THE FAULT PROBABLY DOES NOT REST WITH FINANCE MINISTER FRANK HOPE, WHO REPORTEDLY DID NOT KNOW THAT SUCH RESTRICTIONS WOULD BE IMPOSED WHEN HE GAVE THE ASSURANCES. WILLS MAY ALREADY HAVE BEEN SIMILARLY UNDERCUT BECAUSE BURNHAM SAID IN HIS MAY DAY SPEECH THAT GUYANA DID NOT CONSIDER ITSELF BOUND TO BUY GOODS FROM MULTINATIONAL FIRMS BASED IN TRINIDAD, IF THOSE FIRMS CHARGED PRICES SIGNIFICANTLY ABOVE WORLD RATES. WILLS' COMMENTS CONCERNING THE BRITISH ADVICE TO MINI-STATES TO ASSOCIATE WITH TRINIDAD AND BARBADOS REVEALS THE SENSITIVITY OF GUYANESE LEADERS TO ATTEMPTS TO ISLOATE GUYANA FROM OTHER NATIONS OF THE AREA, EVEN THOUGH SOME GOG POLICIES TEND TO SET GUYANA APART FROM SOME OF ITS NEIGHBORS.  
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